

# TENNESSEE REGULATORY AUTHORITY

PAT MILLER  
CHAIRMAN



460 James Robertson Parkway  
Nashville, TN 37243-0505

## MEMORANDUM

TO: Docket File No. 04-00380  
FROM: Pat Miller, Chairman *PM*  
DATE: June 27, 2005  
RE: Meeting with Representatives of ILECs

On June 7, 2005, I met with the following representatives of several rural Incumbent Local Exchange Carriers ("ILECs") regarding concerns they have with the implementation of the Transit Traffic Service Tariff 04-01259 ("Tariff") filed by BellSouth Telecommunications, Inc. ("BellSouth") in the above styled docket:

Mr. Herb Bivens, United Telephone  
Mr. David Espinoza, Millington Telephone  
Mr. Leslie Greer, DTC Communications  
Mr. Michael E. Hicks, TDS Telecom  
Mr. Bruce Mottern, TDS Telecom

On June 10, 2005, the Tennessee Rural Independent Coalition ("Coalition") filed a complaint seeking Emergency relief from BellSouth's Tariff.

The above mentioned participants in the June 7 meeting are members of the Coalition. Therefore, pursuant to T.C.A. § 4-5-304(e), I am stating the substance of the communication from the participants in the June 7 meeting.

Based on our conversation, I believe the main concerns fall within four major categories: (1) what is "transit traffic" for purposes of the Tariff, (2) how can companies measure minutes within the different call categories, (3) when should BellSouth begin billing under the Tariff, considering the number of disputed minutes, and (4) is it appropriate for the tariff charges to be netted to the intraLATA toll settlement. They also mentioned sub-issues arising under the four categories, some of which are not directly related to the interpretation and application of the Tariff:

1. What traffic is subject to the Tariff?
  - Does the Tariff apply to ISP, metro-area, or county-wide calls?
  - How are those terms defined for purposes of the Tariff?
2. How can the rural ILECs measure the traffic and differentiate among the call categories?
  - Is the tandem data sufficient?
  - How are the measures effected by routing and accuracy issues?
  - Who is responsible for providing supporting information: BellSouth with its original measure or the rural ILECs if they want to challenge the measure?
3. When should BellSouth begin billing under the Tariff?
  - Should BellSouth bill only for undisputed amounts and hold other charges until it reaches agreement with the rural ILEC's on disputed measures?
  - How can the rural ILECs remove from their systems traffic from carriers with which they have no interconnection agreement, and may the rural ILECs get temporary relief from application of the Tariff to such traffic?
4. Is BellSouth's current billing method of netting the Tariff amounts against each rural ILECs total account acceptable, or should BellSouth invoice separately for the Tariff charges?

In addition to the issues listed above, the rural ILEC representatives expressed concern about the bases of the Tariff charges and the increase applicable next year. They also stated the Tariff is supposed to reflect market-based rates, but BellSouth is the rural ILECs' only option for this traffic and therefore the rates are not established by an active market.

Accordingly, the participants were told if they are unable to reach an agreement on these issues with BellSouth they could submit a filing for consideration by the Tennessee Regulatory Authority. Attached is a copy of my letter to the participants of the meeting.

Attachment

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CHAIRMAN



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Nashville, TN 37243-0505

June 10, 2005

## VIA ELECTRONIC MAIL U.S. MAIL

Mr. Herb Bivens  
General Manager  
United Telephone  
120 Taylor Street  
Chapel Hill, TN 37034  
hbivens@united.net

Mr. David Espinoza  
Controller  
Millington Telephone  
4880 Navy Road  
Millington, TN 38053  
dce2@bigriver.net

Mr. Leslie Greer  
Chief Executive Officer  
DTC Communications  
111 High Street  
Alexandria, TN 37012-2047  
Lgreer@DTCcom.net

Mr. Michael E. Hicks  
Manager – Carrier Relations  
TDS Telecom  
9737 Cogdill Road, Suite 230  
Knoxville, TN 37932-3374  
Mike.Hicks@TDSTelecom.com

Mr. Bruce H. Mottern  
Director – Revenue and Earnings  
TDS Telecom  
9737 Cogdill Road, Suite 230  
Knoxville, TN 37932-3374  
Bruce.Mottern@TDSTelecom.com

In Re: Meeting of Tuesday, June 7, 2005 regarding Transit Traffic Tariff

Gentlemen,

I appreciated the opportunity to talk with you on Tuesday. Our meeting was educational for me, and I have a better understanding now of your concerns. I also am glad to know that you are working cooperatively with BellSouth to resolve them.

You outlined several issues related to the interpretation and application of BellSouth's Transit Traffic Service Tariff ("Tariff"). Based on our conversation, your main concerns seem to fall within four major categories: (1) traffic subject to the Tariff, (2) Percent Local Usage Factor ("PLU"), (3) accuracy of the call detail provided by BellSouth, and (4) Tariff charges netted to the intraLATA toll settlement. In addition to the issues listed above, you expressed concern about the basis of the Tariff charge and the possible rate increase applicable next year. As you

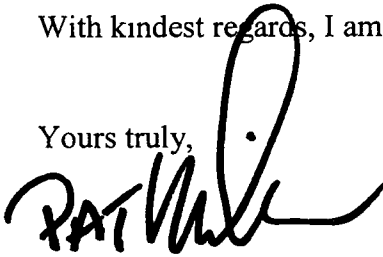
Messrs. Greer, Espinoza, Hicks,  
Mottern., and Bivens  
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explained, the Tariff is supposed to reflect market-based rates, but you state that BellSouth is the ICOs' only option for this traffic and therefore the rates are not established by an active market.

We hope you and BellSouth are able to reach agreement on these issues. If not, you certainly may submit a filing for consideration by the Tennessee Regulatory Authority. As always, please do not hesitate to contact me if I may be of assistance.

With kindest regards, I am

Yours truly,

A handwritten signature in black ink, appearing to read "PAT MILLER", with a large, stylized loop at the end.

Pat Miller, Chairman

C: Aster Adams, Chief, CM&PD  
Lisa Cooper, Senior Policy Advisor  
Darlene Standley, Chief, Utilities  
Richard Collier, Chief, Legal  
Eddie Roberson, Chief, Consumer Service